

PROPOSAL OF MARKETING STRATEGY FOR INSTALASI RIK PARAHYANGAN PAVILION RSUP DR. HASAN SADIKIN BANDUNG

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Abstract - Along with the changes of social society and the flow of information, customer's need for quality of service is higher, including health service in hospital. For some people, they perceived health service in private hospital is superior than government-owned hospital. Moreover, some of them preferred to use health service abroad. Since medium – higher economic class customer have ability to choose health service they needed, it is important to inquiry factors that influenced their decision making. The research for this thesis was conducted at RIK Parahyangan Pavilion Hasan Sadikin Hospital in Bandung. The problem is low Bed Occupancy Rate (BOR). Eventhough every year, hospital improve their facility, either added their bed capacity or added supporting facilities, the efforts still did not urge standar usage capacity BOR which is about 85% of occupancy. The main focus of this thesis is to investigate the preference inpatient service of potential customer. This study includes internal and external analysis to determine the dominant criterion in influencing customer preferences to choose inpatient service of particular hospital. The data that had been processed comes from interview and questionnaire. The result are the level of importance, customer perception and position of RIK Parahyangan Pavilion Hasan Sadikin Hospital compared with its competitor. Based on the data and analysis, we can conclude that low awareness of Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung, negative perception of health service and cannibalism became the dominant factor that cause low level in BOR. As solution RIK Parahyangan Pavilion Hasan Sadikin Hospital is to encourage to apply internal marketing communication and below the line marketing to build customer awareness and create positive attitude toward government-owned hospital especially Hasan Sadikin Hospital.

Keyword : Awareness, Internal marketing, Below-the-line Marketing

I. INTRODUCTION

In recent years, Indonesian hospital industry has undergone significant development with the passing of various regulations and laws that aim to encourage investment and create conditions for business and services to be a better hospital. Apparently, not only governments that are obliged to provide health services to the community, business people are now more actively investing in the hospital industry in Indonesia. This is the one that drives the emergence of new private hospitals in recent years.

In Indonesia, the growth of non-government hospital is more than government hospital. The number of government hospital is less than 50 percent from the total hospital in Indonesia. PT Indonesia Media Research data has accumulated a study in the field of hospital services in Indonesia. The review was about private hospitals, that growth in quantity and quality of service. Private hospitals are loaded with international standard of service quality which makes them fierce competitor compared to government-owned hospital. Many people prefer to choose private hospital even when health service cost in private hospitals is more expensive than government-owned hospital, because they perceived private hospital as having professional services and variety of advanced facilities and equipment.

Instalasi Rawat Inap Khusus Paviliun Parahyangan RSUP Dr. Hasan Sadikin Bandung was constructed from surplus funds from Japan Bank for International Cooperation (JBIC) assistance of Rp 36.821.078.000 - as a result of differences in the yen toward the rupiah. This building was located on the land area of $\pm 4.900 \text{ m}^2$ with a building area $\pm 11.000 \text{ m}^2$. Instalasi

Rawat Inap Khusus Paviliun Parahyangan RSUP Dr. Hasan Sadikin Bandung was inaugurated on October 15, 2001 and began to operate on June 1, 2002.

Management of Instalasi Rawat Inap Khusus Paviliun Parahyangan RSUP Dr. Hasan Sadikin Bandung ensure that only committed and dedicated general practitioner and specialist will be permitted and reserves the right to treat the patient. Instalasi Rawat Inap Khusus Paviliun Parahyangan RSUP Dr. Hasan Sadikin Bandung has 91 beds spread from 2nd floor to 4th floor, divided into Primary Care Room A and B which consists of one bed. Each room is equipped with air conditioning, 21 inches television, sofa, dining table and telephone. For the Primary Care Room C consists of two beds in one room. All types of Primary Care Room A, B, and C are on every floor but with a different amount.

In this study the indicators used to describe the efficiency of bed used is Bed Occupancy Rate (BOR). In general, BOR for Primary Care Room, IU (Intermediate Unit), and NPIU (Neonatal Pediatric Intermediate Unit) ranged from 45% - 50%. Especially for the HCU and the Intermediate Unit, there is an increase of BOR from year to year, because of the increased number of beds.

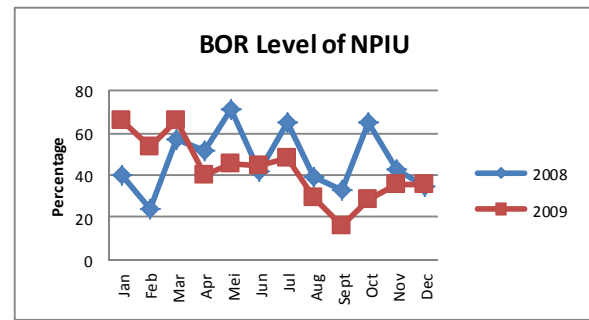
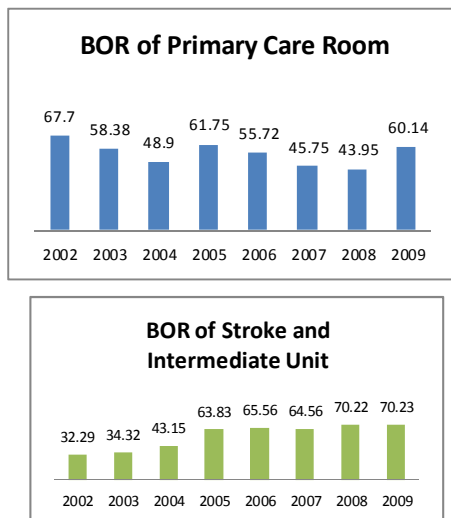


Figure 1. BOR of RIK Parahyangan Pavilion

The hospital stated that the ideal Bed Occupancy Rate (BOR) is 85%, based on that figure, it is clear that until 2010, RIK Parahyangan Pavilion did not reach its goal. The problems that exist in Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung is allegedly because of the low BOR. BOR average level is still below the standards set by the hospital management which is 70%. This problem may be caused by the lack of marketing activities for Instalasi Rawat Inap Khusus Paviliun Parahyangan RSUP Dr. Hasan Sadikin Bandung. Their management said that they did not do marketing activities as much as private hospital, because of constraints set by government.

II. BUSINESS ISSUE EXPLORATION

The business problem is how to make the right marketing strategy. References for this thesis comes from the journal of theory and research, internal information from RIK Parahyangan RSHS management, and also direct interviews to the target market. The apparent problem that was found in this study is low level Bed Occupancy Rate in Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung. The business issue will be discussed in depth to identify root causes of problems occurred. From interviews, these are the causes of the problem:

- Lack of marketing activities of the Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung might cause some respondents did not know the existence of certain hospitals (low awareness)
- People's perceptions about the quality of government-owned hospital are lower than private hospitals.

A. Conceptual Framework

To better understand the causes of low levels of Bed Occupancy Rate (BOR), this study used a conceptual framework below:

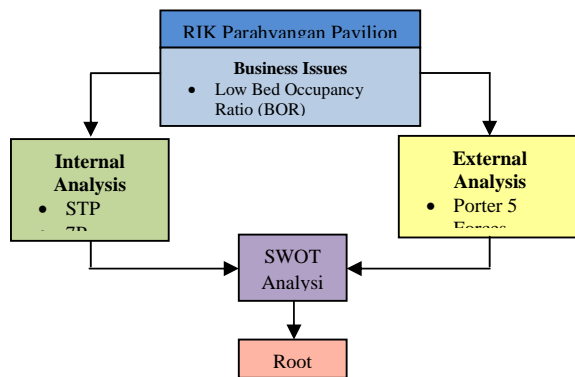


Figure 2. Conceptual Framework

B. Method of Data Collection and Analysis

The study began by conducting literature study and data analysis obtained from internal sources, the experts of hospital business, and interview with respondent. The sequence of research can be drawn in figure below.

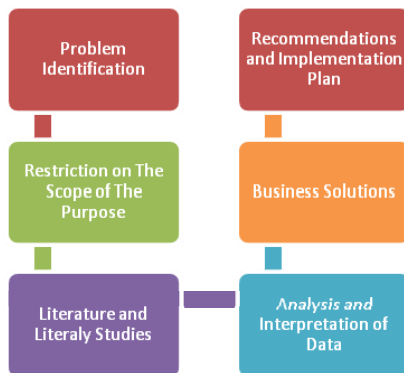


Figure 3. Research Methodology

To help us better understand the perception of customer who has experienced the inpatient services in RIK Parahyangan Pavilion and potential market (some of them hardly know about RIK Parahyangan Pavilion,) we have collect some data using:

- Questionnaire
Research data was obtained by using questionnaires. The questionnaire was distributed by RIK Parahyangan Pavilion management to know patient's perception of the health services that have been provided. There were 1474 questionnaires obtained from a study conducted in 2009.
- Interview was also conducted to RIK Parahyangan and RSHS management, and potential target market for RIK Parahyangan Pavilion.

The objectives of analysis are to gain insight on target market perception about RIK Parahyangan

Pavilion, what are the factors considered important when choosing hospital, as well as to understand RIK Parahyangan Pavilion position relative to competitor. By conducting market analysis, RIK Parahyangan Pavilion can understand what the market thought about health service they offered and be able to make adjustment for their strategies appropriately.

C. Analysis of Business Situation

There are several concern from Porter 5 Forces Analysis, such as:

- The competition in hospital or health business getting tougher. Along with more hospitals built by private and government, local hospitals should be ready to compete with hospitals in the country and to compete with international hospitals.
- The substitution of the medical services have significant potential to reduce the number of potential customer of hospital.
- Buyer power of patient higher than RIK Parahyangan Hasan Sadikin Hospital. Because there are so many options for target market have to choose for inpatient service provided by hospitals.

From internal company analysis, it found that management of RIK Parahyangan Pavilion did lack of promotion activities, these marketing activities limited only to below the line (BTL) marketing such as: making leaflets and website. As management of RIK Parahyangan explained, they cannot do above the line (ATL) marketing because prohibited by the government law. The existing positioning statement give unclear message to people and less attractive to patients who unfamiliar with the potential advantages of RIK Parahyangan Pavilion. It also cannot state the difference between quality of health services in Hasan Sadikin hospital and competitor. From its positioning, it's not clear whether RIK Parahyangan emphasize itself for referral hospital (like Hasan Sadikin Hospital famous for generally) to all patient in any level of socioeconomics or targeting patient with particular socioeconomic. From SWOT Analysis, weaknesses from Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung are :

- a. Incomplete diagnostic equipment (health service facilities).
- b. Unstable BOR and its rate still below the desired standard.
- c. The high level of bad debts.

- d. Some of the supporting facilities are not available, some of them not in proper condition.
- e. Hospital Management System is not quite good.
- f. Negative perception of health services in government-owned hospitals

Based on interviews with respondents, related to their opinion about inpatient service between Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung and its competitor hospitals, it could be concluded that :

- a. Some respondents are not aware of the existence of Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung
- b. Others, thought that health service offered in government-owned hospital is worse than private hospital.
- c. Contrast with those negative statements from unaware respondents, respondents who ever take inpatient service in RIK Parahyangan Pavilion Hasan Sadikin Hospital, said that they have comfortable inpatient room, they also satisfied with health service given by general practices and nurses.

In addition to getting information from the target market point of view, the interview was also conducted to the management of Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung concerning marketing activities that have been made to promote health services in the pavilion, especially with the aim to improve Bed Occupancy Rate (BOR). The management said that only few marketing efforts of RIK Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung could do because it is hampered by government regulations. These regulations prohibit government-owned hospitals to do above the line marketing. This is unfortunate, since Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung is a relatively newcomer to the inpatient service for middle upper socioeconomic class. Besides, every year, RIK Parahyangan makes improvement not only in health equipment but also increasing the number of bed provided. So, they strongly need to let community especially target market know about their excellence.

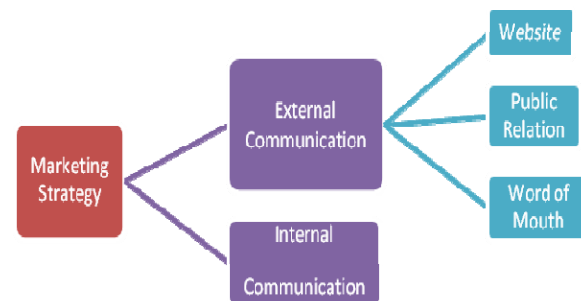
Another issue that seems to cause low levels of Bed Occupancy Rate (BOR) in RIK Parahyangan Pavilion is service cannibalism. Cannibalism occurred when two brand in the same product

line, offered by same player target same market segment and compete with each other by eating away the market share without adding any value to the marketer. In this case, RIK Anggrek Pavilion have tendency to be more attractive for potential customer. The main reason why patients prefer to choose RIK Anggrek Pavilion to RIK Parahyangan Pavilion is RIK Anggrek Pavilion set a cheaper price than RIK Parahyangan Pavilion. Whereas both inpatient service offered premium class. It can cause potential consumers choose RIK Anggrek Pavilion over RIK Parahyangan Pavilion.

From industry analysis, market analysis and competition analysis, it could be conclude that root cause of the low Bed Occupancy Rate in RIK Parahyangan Pavilion are fierce competition among competitor, negative perception of health service in government-owned hospital, and low awareness of RIK Parahyangan Pavilion.

II. BUSINESS SOLUTION

A. Alternative Business Solution



This part contains a description of alternative solutions can be applied to solve the problems faced by RIK Parahyangan Pavilion Hasan Sadikin Hospital in Bandung. As discussed in chapter 2, the root cause that caused low Bed Occupancy Ratio (BOR) in Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung are :

- Low awareness of Instalasi Rawat Inap Khusus Parahyangan Pavilion RSUP Dr. Hasan Sadikin Bandung
- Negative perception of health service offered by government-owned hospital especially by those who doesn't aware of RIK Parahyangan existence
- Inpatient service cannibalism and fierce competition among hospital in Bandung

The main thing to be done to improve Beds Occupancy Rate (BOR) as desired by management of RIK Parahyangan Pavilion

Rumah Sakit Hasan Sadikin Bandung is to increase awareness in target markets through some proper marketing mix strategy and do STP strategy to generate positive perceptions of the quality of health services offered by RIK Parahyangan Pavilion Hasan Sadikin Hospital Bandung in order to facing its competitor. Internal marketing communication also need to be done to improve any kind of negative perception from those who doesn't aware of RIK Parahyangan existence.

B. Analysis of Business Solution

Effective marketing communication is based on a clearly defined corporate image. The image summarizes what the company stands for and how well its position has been established. What consumer believe about a firm is far more important than how company officials view the image.

According to Zinkhan there are several reasons underlying the importance of companies establishing and managing the company's image, they are:

- a. Can stimulate sales
- b. Can establish the good name of the company
- c. Construct identities for employees
- d. Affect investors and financial institutions
- e. Promote good relations with the community, with the government, with community leaders and opinion leaders
- f. Get a position in the competition.

IV. CONCLUSION AND IMPLEMENTATION PLAN

Preparation for below the line promotion must be done from November 2012 until December 2013. The first thing to do is make a new concept for Hasan Sadikin Official Website. It might take a month or two to brainstorm with the management about features that need to be added in the website. Once created, website must be updated periodically, any kind of hospital development must be uploaded, this includes either additional equipment or achievement in quality service.

Parallel with planning for upgrading the website, management should do another preparation for internal marketing and public relation. Internal marketing should be done at least once every three months, to rejuvenate the message. To WoM strategy, appropriate person must be chosen either from internal hospital (doctors or other health service provider) or spokesperson from external hospital.

Below the line promotion must be done continuously. Besides, message and information must be aligned with positioning of Instalasi Rawat Inap Khusus Paviliun Parahyangan RSUP Dr. Hasan Sadikin Bandung. Details about timeline activities shown in exhibit 1.

In order to execute any kind of marketing activities, there is funding plans that must be made. Especially in internal marketing activities, public relation and choose suitable resource person to spread Instalasi Rawat Inap Khusus Paviliun Parahyangan RSUP Dr. Hasan Sadikin Bandung excellency. For further information, shown in exhibit 2 and exhibit 3.

Reference

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Exhibit 1 Timeline

Promotion	2012		2013											
	Nov	Des	Jan	Feb	Mar	Apr	Mei	Jun	Jul	Aug	Sept	Oct	Nov	Des
Website														
a. Data collection														
b. Improve website														
c. Research Selection														
d. Upload material														
e. Feedback														
Internal Marketing :														
a. Planning														
b. Execution														
Word of Mouth														
a. Collect data from internal														
b. Collect data from external														
c. Execution														
Public Relation														
a. Determine event and media														

Exhibit 2. Cost estimation for Internal Marketing Communication

No.	Activities	Satuan	Volume	Frequency	Unit Cost	Cost	Total Cost
Internal Marketing Training							
1	Training cost	Event	1	1	100 Jt	100 Jt	
2	Consumption						
	a. Lunch	Person	260	1	25.000	6,5 Jt	
	b. Snack	Person	260	1	15.000	3,9 Jt	110,4 Jt

Exhibit 3. Cost estimation for Public Relation

No.	Activities	Quantity	Volume	Frequency	Unit Cost	Cost	Total Cost
Publicity							
1	Success Free for Editor	Pages	4	24	100.000	9,6 Jt	
							9,6 Jt

Note : All details about the expense of marketing activities taken from Pedoman Standar Biaya of event which is held by government institution. For internal marketing activities, the cost might be cut by using their own building instead of rented one.